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8 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT  
9 OF THE STATE OF CALIFORNIA

10  
11 In the Matter of: )  
 )  
12 THE COMMISSIONER OF BUSINESS ) NMLS No.: 1525557  
13 OVERSIGHT, )  
 ) SPONSOR FILE No.: 603-D787  
14 Complainant, )  
 ) STATEMENT OF ISSUES  
15 v. )  
 )  
16 PETER GREGORY MONTRENES, )  
 )  
17 Respondent. )  
18 )  
19 )

20 The Commissioner of Business Oversight (Commissioner) is informed and believes, and  
21 based upon such information and belief, alleges and charges Respondent Peter Gregory Montrenes  
22 (Montrenes) as follows:

23 **I.**

24 **Introduction**

25 1. The proposed order seeks to deny the issuance of a mortgage loan originator license  
26 to Montrenes pursuant to Financial Code sections 22109.1 and 50141 in that Montrenes has failed to  
27 demonstrate such financial responsibility, character, and general fitness as to command the  
28 confidence of the community and to warrant a determination that he will operate honestly, fairly, and

1 efficiently.

2 **II.**

3 **The Application**

4 2. On or about May 28, 2019, Montrenes filed an application for a mortgage loan  
5 originator license with the Commissioner pursuant to the California Financing Law (CFL) (Fin.  
6 Code § 22000 *et. seq.*) and the California Residential Mortgage Lending Act (CRMLA) (Fin. Code §  
7 50000 *et. Seq.*), in particular, Financial Code sections 22105.1 and 50140.<sup>1</sup> The application was  
8 submitted to the Commissioner by filing Form MU4 through the Nationwide Mortgage Licensing  
9 System (NMLS). Montrenes signed the Form MU4 attesting that the answers were true and  
10 complete to the best of his knowledge.

11 3. Form MU4 at Question (H) (1) asks: “Have you ever been convicted of or pled guilty  
12 or nolo contendere (“no contest”) in a domestic, foreign, or military court to committing or  
13 conspiring to commit a misdemeanor involving: (i) financial services or a financial services-related  
14 business, (ii) fraud, (iii) false statement or omissions, (iv) theft or wrongful taking of property, (v)  
15 bribery, (vi) perjury, (vii) forgery, (viii) counterfeiting, or (ix) extortion? Montrenes answered “no”  
16 to this question.

17 **III.**

18 **Criminal Convictions**

19 4. During the application process the Commissioner discovered that Montrenes may  
20 have been involved in criminal activity that should have been disclosed in Question (H)(1). On or  
21 about June 14, 2019, the Commissioner requested that Montrenes explain in detail, and provide  
22 additional documentation, regarding these criminal matters.

23 5. On or about June 14; August 9; August 27; August 28; and September 3, 2019,  
24 Montrenes submitted explanations and court documentation to the Commissioner regarding the  
25 subject criminal matters.

26 6. The court documentation provided by Montrenes along with documentation obtained

27 \_\_\_\_\_  
28 <sup>1</sup> Network Capital Funding Corporation (Network Capital), which has its principal place of business located at 7700  
Irvine Center Drive, Suite 300, Irvine, California 92618, was later identified in the application process as Montrenes  
sponsor, i.e., employer. Network Capital is licensed by the Commissioner as a lender and broker under the CFL and a  
lender under the CRMLA.

1 directly from the relevant courts revealed that Montrenes had been convicted in the State of  
2 California of: (i) Penal Code sections 484(a) and 490.2, petty theft, on or about September 8, 2017;  
3 and (ii) Penal Code section 459.5, misdemeanor shoplifting, on or about July 19, 2018.

4 7. Accordingly, Montrenes was required to respond in the affirmative to Question (H)(1)  
5 on Form MU4.

6 **IV.**

7 **Licensing Requirements**

8 8. Financial Code sections 22109.1 and 50141 provide in relevant part:

9 (a) The commissioner shall deny an application for a mortgage loan  
10 originator license unless the commissioner makes, at a minimum, the  
11 following findings:

11 . . .

12 (3) The applicant has demonstrated such financial responsibility, character, and  
13 general fitness as to command the confidence of the community and to warrant  
14 a determination that the mortgage loan originator will operate honestly, fairly,  
15 and efficiently within the purposes of this division.

16 9. California Code of Regulations, title 10, sections 1422.6.2 and 1950.12.5.2 provide in  
17 relevant part:

18 (a) The Commissioner's finding required by Section 22109.1(c) of the California  
19 Finance Lenders Law/Section 501414(c) of the California Residential Mortgage  
20 Lending Act relates to any matter, personal or professional, that may  
21 impact upon an applicant's propensity to operate honestly, fairly, and efficiently  
22 when engaging in the role of a mortgage loan originator.

22 . . .

23 (c) An applicant may be precluded from obtaining a mortgage loan originator  
24 license where his or her personal history includes:

25 (1) Any liens or judgments for fraud, misrepresentation, dishonest dealing,  
26 and/or mishandling of trust funds, or

27 (2) Other liens, judgments, or financial or professional conditions that indicate  
28 a pattern of dishonesty on the part of the applicant.

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**V.**

**Conclusion**

Complainant finds, by reason of the foregoing, that:

(1) On or about September 8, 2017, Montrenes was convicted in the State of California of Penal Code sections 484(a) and 490.2, petty theft; a misdemeanor involving an act of dishonesty.

(2) On or about July 19, 018, Montrenes was convicted in the State of California of Penal Code sections 459.5, shoplifting; a misdemeanor involving an act of dishonesty.

(3) On or about May 28, 2019, Montrenes made a false representation in his MLO license application by representing that he had never been convicted of or pled guilty or nolo contendere in a domestic, foreign, or military court to committing or conspiring to commit a misdemeanor involving theft or wrongful taking of property.

(4) Montrenes has failed to demonstrate the financial responsibility, character and fitness required of a mortgage loan originator under the California Financing Law and the California Residential Mortgage Lending as demonstrated by his history of dishonest acts.

THEREFORE, the Commissioner asserts that he is mandated under Financial Code sections 22109.1 and 50141 to deny the mortgage loan originator application of Peter Gregory Montrenes.

**VI.**

**Prayer**

WHEREFORE IT IS PRAYED that the mortgage loan originator application filed by Peter Gregory Montrenes on or about May 28, 2019 be denied.

Dated: September 25, 2019  
Los Angeles, CA

MANUEL P. ALVAREZ  
Commissioner of Business Oversight

By \_\_\_\_\_  
Judy L. Hartley  
Senior Counsel